

VIOLA STREET TAX INCREMENT FUND

The Viola Street Tax Increment Fund was established in 1998 to account for the retirement of principal and interest on a \$400,000 tax increment revenue bond issued to finance infrastructure improvements in the Viola Street redevelopment area. The bond is repaid from the incremental taxes produced by the incremental increase in assessed property values within the tax increment district. In accordance with the redevelopment plan, tax revenues are also dedicated to pay-as-you-go improvements to further the redevelopment of Viola Street. The TIF district expires in 2026.

VIOLA STREET TAX INCREMENT FUND				
	2005-06	2006-07	2007-08	2008-09
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
REVENUES				
Property taxes	\$ 141,707	184,805	252,931	302,093
Interest	5,877	6,246	4,400	5,000
TOTAL REVENUES	147,584	191,051	257,331	307,093
EXPENDITURES				
Bond principal	30,000	35,000	35,000	40,000
Bond interest	13,470	12,119	10,573	8,962
TOTAL EXPENDITURES	43,470	47,119	45,573	48,962
Excess (deficiency) of revenues over expenditures	104,114	143,932	211,758	258,131
Other financing sources (uses):				
Transfer to Capital Projects Fund	0	(241,324) (a)	(195,000) (b)	0
Total revenues over expenditures and other financing sources (uses)	104,114	(97,392)	16,758	258,131
Fund balance at beginning of year	137,324	241,438	144,046	160,804
Fund balance at end of year	\$ 241,438	144,046	160,804	418,935

(a) In the FY 2006-07 Capital Budget, \$137,324 was appropriated to the Stone Avenue Streetscape project, and \$104,000 was appropriated to the Viola Street Improvement Phase II project.

(b) In the FY 2007-08 Capital Budget, \$150,000 was appropriated to the Pete Hollis Gateway project, and \$45,000 was appropriated to the Viola Street Improvements Phase II project.

FY 2008-09 BUDGET HIGHLIGHTS

The Viola Street TIF budget reflects:

- \$48,962 in debt service payments on the outstanding tax increment bond.

(VIOLA STREET TAX INCREMENT FUND CONTINUED)

CHANGE IN FUND BALANCE

The projected increase in fund balance from \$160,804 to \$418,935, or 160.5%, is attributable to revenues being generated in excess of proposed capital projects and required debt service. Reserves are being held for public infrastructure improvements for future private development projects that are currently in the preliminary planning stages.